

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
NORTHERN STATES POWER COMPANY,)	
a Wisconsin corporation and wholly-owned subsidiary)	Case No. U-18084
of Xcel Energy, Inc., for reconciliation of renewable)	
energy surcharge revenues and expenses for 2015.)	
_____)	

At the November 7, 2016 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 17, 2016, Northern States Power Company, a Wisconsin corporation and wholly-owned subsidiary of Xcel Energy Inc. (NSP-W), filed an application, with supporting testimony and an exhibit, requesting authority to reconcile the expenses and revenues associated with its renewable energy plan for the 12-month period ended December 31, 2015. NSP-W also filed its annual report for 2015.

A prehearing conference was held on September 15, 2016, before Administrative Law Judge Suzanne D. Sonneborn. NSP-W and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that NSP-W's 2015 renewable energy annual report satisfies the requirements of Section 51 of

2008 PA 295, MCL 460.1001 *et seq.*, and that NSP-W is in compliance with the renewable energy standards. The parties further agree that for the 12-month period ended December 31, 2015, NSP-W did not collect a renewable energy surcharge, and thus there are no renewable energy surcharge revenues to be reconciled. NSP-W's current plan provides for the company to meet the renewable energy standards through existing power supply resources.

The Commission finds that the settlement agreement is in the public interest and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Northern States Power Company's application for authority to reconcile its renewable energy plan for the 12-month period ended December 31, 2015 is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscdockets@michigan.gov and to the Michigan Department of the Attorney General – Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of November 7, 2016.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
NORTHERN STATES POWER COMPANY,)	
a Wisconsin corporation and wholly owned)	Case No. U-18084
subsidiary of Xcel Energy, Inc., for reconciliation)	
of renewable energy surcharge revenues and)	
<u>expenses for 2015.</u>)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.10431, Northern States Power Company, a Wisconsin corporation and wholly-owned subsidiary of Xcel Energy, Inc. ("NSP-W" or the "Company") and the Michigan Public Service Commission ("MPSC" or the "Commission") Staff ("Staff") agree as follows:

1. On June 17, 2016, the Company filed its Renewable Energy reconciliation application including its annual report for 2015 and supporting direct case with the Commission.
2. In its direct case, NSP-W represented that for the 12-month period ending December 31, 2015, its renewable energy plan did not include a renewable energy surcharge. Therefore, as no renewable energy surcharges were applied to NSP-W's Michigan customers in 2015, NSP-W reported no related collections. Instead, the 2015 renewable energy plan provided for the Company to meet renewable energy standards through existing power supply resources,

with the costs thereof to be addressed and accounted for through Power Supply Cost Recovery proceedings, without a separate renewable energy surcharge.

3. On August 4, 2016, the MPSC's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Michigan electric service area, and to intervenors in Case Nos. U-17795 and U-17806. Furthermore, the Company was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan electric service area. On August 22, 2016, the Company electronically filed its affidavit of mailing and proof of publication.

4. On September 15, 2016, Administrative Law Judge Suzanne D. Sonneborn conducted the prehearing conference. The Company and Staff attended the prehearing conference. There were no intervenors.

5. Subsequent to the prehearing, the parties participated in settlement discussions and agree as follows:

- a. NSP-W's 2015 Renewable Energy Annual Report satisfies the requirements of Section 51 of Act 295, MCL 460.1001 *et seq.*, and NSP-W is in compliance with the renewable energy standards.
- b. NSP-W and Staff agree that NSP-W meets the 2015 renewable energy credit portfolio requirements.
- c. For the 12-month period that ended December 31, 2015, NSP-W was not authorized to charge, nor did it collect, a renewable energy surcharge. Thus, there are no revenues or expenses to reconcile in this proceeding.

6. All the parties are of the opinion that this Settlement Agreement is reasonable, in the public interest, and will aid in the expeditious conclusion of this case.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rules of Evidence, Rule 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-18084. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be

withdrawn, it shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation position of any party.

10. The parties agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

NORTHERN STATES POWER COMPANY,
A WISCONSIN CORPORATION

Sherri A.

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman C = AD O =
MillerCanfield
Date: 2016.10.11 13:17:32 -05'00'

Dated: October 11, 2016

By: _____

Wellman

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Graham Filler

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Dated: October 11, 2016

By: _____

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